



July 25, 1997

AUG 06 1997

Mr. Michael E. Bellot
Remedial Project Manager
U.S. Environmental Protection Agency
Region V, Office of Superfund
77 W. Jackson Boulevard, 5R-6J
Chicago, IL 60604

Re: Financial Status Report
Waukegan Harbor Site Trust

Dear Mr. Bellot:

The Consent Decree under which the Waukegan Harbor Site Trust was established asks that the Trustee submit a financial report yearly accounting for all monies received and expended by the Trust during the previous 12 months. For the purposes of this report each financial year is for the 12 month period ending on May 31.

The same decree also asks for a projection of income and expenses of the Trust for the subsequent one year period.

Table 1, attached, summarizes the financial status of the Trust for the twelve month period ending May 31, 1997. As you can see, at the end of May the Trust had a balance of approximately \$145,000.

In addition to this original account there is a second account set up in the Trust. OMC originally funded this second account in the amount of \$1,000,000 which represented retainage due Canonie Environmental Services Corporation (now Smith Environmental) as they demonstrate that their remaining contractual commitments have been fulfilled. Most of this set aside account has been paid to Canonie with the approval of OMC.

It is difficult at this time to determine the financial needs of the Trust during the next fiscal year. Potentially the most significant expenditures could be for oversight costs charged to this project by the U.S. Environmental Protection Agency and its subcontractors. Amounts due, if any, however, are still subject to negotiation. Other financial requirements of the Trust, if any, have not been defined at this time, but probably would be more of an operational, rather than construction, nature.

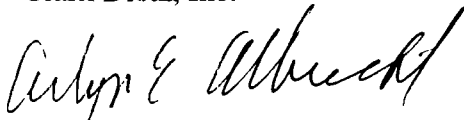
Mr. Michael E. Bellot
U.S. Environmental Protection Agency
July 25, 1997
Page 2

OMC and the Trust will keep monitoring the financial condition of the Trust. As called for in the Consent Decree, OMC is committed to finance the Trust to whatever level is required to meet the remaining Trust requirements.

If you have any questions or comments concerning this submittal, please contact me.

Sincerely yours,

Clark Dietz, Inc.

A handwritten signature in black ink, appearing to read "Arlyn E. Albrecht". The signature is fluid and cursive, with the first name "Arlyn" and last name "Albrecht" clearly distinguishable.

Arlyn E. Albrecht, P.E.
Project Coordinator

cc: Tricia Sutton
Roger Crawford
Joe Moran, Esq.
Henry Kleschen

TABLE 1
FINANCIAL INFORMATION
WAUKEGAN HARBOR SITE TRUST
FOR PERIOD OF 6/1/96 THRU 5/31/97

	<u>\$1,000</u>
Opening Balance 6/1/96	326
Funding	+ 0
Expenditures	- 190
Income	+ 9
Closing Balance 5/31/97	\$ 145